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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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8698 7590 07/01/2005  
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EXAMINER

GRAYSAY, TAMARA L

ART UNIT	PAPER NUMBER
3623	

DATE MAILED: 07/01/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/931,396

Applicant(s)

NELSON ET AL.

Examiner

Tamara L. Graysay

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 16 August 2001 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date (1 page).
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_.

## **DETAILED ACTION**

### ***Drawings***

1. The drawings are objected to under 37 CFR 1.83(a). The drawings must show every feature of the invention specified in the claims. Therefore, the annual warning indicator comprising delivery, as recited in claims 5 and 13, must be shown or the feature(s) canceled from the claim(s). No new matter should be entered.
2. The drawings filed 16 August 2001 are objected to because of the following:
  - a. They fail to comply with 37 CFR 1.84(g) because the drawing sheets (containing Fig. 3-13), when viewed in portrait, do not include a top margin of at least 2.5cm (1 inch), a left side margin of at least 2.5cm (1 inch), a right side margin of at least 1.5cm (5/8 inch), and a bottom margin of at least 1.0cm (3/8 inch).
  - b. They fail to comply with 37 CFR 1.84(i) because the words (Fig. 11, 12) that are not for a graph utilizing standard scientific convention to denote the axis of abscissas and the axis of ordinates must appear in a horizontal, left-to-right fashion when the page is either upright or turned so that the top becomes the right side.
  - c. They fail to comply with 37 CFR 1.84(m) because the shading (Fig. 6) does not aid in understanding the invention and reduces legibility.
  - d. They fail to comply with 37 CFR 1.84(m) because solid black shading (Figs. 6, 8, 11) is not permitted. Applicant can distinguish colors related to the invention by using the color symbols shown in MPEP § 608.02I, X.

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- e. They fail to comply with 37 CFR 1.84(p)(4) because reference character “230” has been used to designate both “frequency” (Fig. 7) and “green stability level” (Fig. 8); reference character “232” has been used to designate both “judgment criteria” (Fig. 7) and “yellow stability level” (Fig. 8).
- f. They fail to comply with 37 CFR 1.84(p)(5) because they include the following reference character(s) not mentioned in the description: 250 and 252 (Fig. 9); 342 (Fig. 13).
- g. They fail to comply with 37 CFR 1.84(p)(5) because they do not include the following reference character(s) mentioned in the description: “276” (page 22, line 1, 17); “274” (page 22, line 7, 19); “302” (page 24, line 10); “320” (page 24, line 22).
- h. They fail to comply with 37 CFR 1.84(u)(1) because the two views depicted in Figure 12 are not numbered separately.
- i. They fail to comply with 37 CFR 1.84(u)(2) because the view numbers are not larger than the numbers used for reference characters.
- j. Figure 7, right column, judgment is misspelled.
- k. Figure 12, left edge, the lead line for reference character 306 is not directed to the “recommended action” section (page 24, line 17).

Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as “amended.” If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either “Replacement Sheet” or “New Sheet”

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pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

### *Specification*

3. The lengthy specification has not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification.

### *Claim Rejections - 35 USC § 101*

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-7 and 15-20 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

### *Claims 1-7*

A process claim is statutory if it is limited to a practical application within the technological arts.

First, a practical application is one that is useful, concrete, and tangible, i.e., a real world value and reproducible. Although the claims include assigning a level to each supplier, an inherently useful result, a process that merely manipulates an abstract idea or performs a purely mathematical algorithm is nonstatutory despite the fact that it might inherently have some usefulness. In re Sarkar, 200 USPQ 132, 139 (CCPA 178). In the present application, the process of assigning a value to warning indicators and assigning a stability level to suppliers is

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nothing more than gathering and substituting values in an equation dictated by the mathematical formula. Such steps are nonstatutory, without producing something that is concrete and tangible.

Second, a process to be performed upon subject matter to be transformed and reduce to a different state or thing is within the technological arts. A process encompassing statutory subject matter is one that requires that certain things be done with certain substances, and in a certain order; but the tools to be used in doing this may be of secondary consequence. MPEP § 2106,IV,B,2. In the present application, the claims are directed to a method of detecting instability by assigning a warning indicator value and assigning a stability level to each supplier, which are mathematical steps; and developing a recovery plan (claim 7) which is a human activity. Each step, as claimed, is a human activity not performed on any subject matter to be transformed and reduced to a different state, the claims are therefore nonstatutory, i.e., not within the technological arts.

Therefore, process claims 1-7 are directed to nonstatutory subject matter.

#### *Claims 15-20*

A process claim is statutory if it is limited to a practical application within the technological arts.

First, a practical application is one that is useful, concrete, and tangible, i.e., a real world value and reproducible. In the present application, the claims do not include a result. The claims stop short of any result, i.e., a practical application that is useful, concrete, and tangible. The process comprises assigning a value to warning indicators, applying judgment criteria, and evaluating the judgment criteria without recitation of a result. Such steps are nonstatutory,

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without producing something that is useful, concrete, and tangible. Although the dependent claim 19 includes developing a recovery plan, i.e., an abstract idea albeit an inherently useful result, the claim is directed to nonstatutory subject matter, without producing something that is concrete and tangible.

Second, a process to be performed upon subject matter to be transformed and reduce to a different state or thing is within the technological arts. A process encompassing statutory subject matter is one that requires that certain things be done with certain substances, and in a certain order, but the tools to be used in doing this may be of secondary consequence. MPEP § 2106,IV,B,2. In the present application, the claims are directed to a method of detecting instability by assigning a warning indicator value, applying judgment criteria, and evaluating the judgment criteria which are mathematical steps; and developing a recovery plan (claim 19) which is a human activity. Each step, as claimed, is performing either a mathematical algorithm or a human activity not on any subject matter to be transformed and reduced to a different state; the claims are therefore nonstatutory, i.e., not within the technological arts.

Therefore, process claims 15-20 are directed to nonstatutory subject matter.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

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5. Claim 1 is rejected under 35 U.S.C. 102(a) as being anticipated by Powers (US-6901426).

Powers (Fig. 8 and col. 11, line 54 – col. 13, line 29) discloses a method for detecting instability, as broadly recited, comprising assigning a value (quality score / productivity score) to each of plurality of warning indicators (Fig. 8, performance area 1 and 2) and assigning a supplier stability level based on the value (supplier measure of “goodness;” comparison of achieved score to a target score).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 2-5 and 7-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Powers (US-6901426) in view of Thierauf (book, Decision making through operations research).

Thierauf (Chapter 1) teaches modeling as a technique to analyze any aspect of an operation. Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Powers to include modeling as a technique for analyzing not only the practice areas 1 and 2 but other areas of the member operation.

Regarding claims 2 and 4, the timeliness of the analysis, whether early or annual would have been an obvious matter of choice and within the level of ordinary skill in the field of



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operations research. Decisions about the timing of an analysis are commonplace in operations research and are dependent upon the needs of the operation.

Regarding claims 3 and 5, to analyze financial, quality, delivery, new product development, management, sensing indicators, profitability, and cost would have been an obvious matter of choice and within the level of ordinary skill of a data analyst in the operations research field of endeavor.

Regarding claim 7, Thierauf further teaches the use of mathematical modeling to determine corrective action (for example at page 13, third through fifth paragraphs, and the paragraph spanning pages 13 and 14 - uncover new problems, adjust solutions, revise formulas, etc.).

#### *Claims 8-14*

Regarding claims 8-10 and 12-13, Thierauf teaches using a computer (pages 8-9) that inherently has databases, servers, and workstations as basic components. The process that is performed by the computer is noted with regard to process claims 1-5 above.

Regarding claim 11, judgment criteria is inherent in Powers insofar as Powers includes a target score that is used as a basis of judgment for an entity that is analyzed using operations research techniques.

Regarding claim 14, the nonfunctional descriptive material (reports) is a compilation of data. As such, it cannot render nonobvious that which is otherwise obvious, i.e., nonfunctional descriptive material is not a structural limitation on the elements that are positively recited in the claim.

*Claims 15-20*

Regarding claims 15, 16 and 19, the limitations are met as mentioned with regard to claims 2, 3 and 7 above.

Regarding claim 17, Thierauf teaches (for example, pages 9-10, 12) re-evaluation of information that has been previously analyzed in order to make a timely decision as to the particular analysis.

Regarding claim 18, Thierauf taken as a whole, teaches ongoing monitoring even if there is no problem with an entity's operation.

Regarding claim 20, the timeliness of the analysis, whether early or annual would have been an obvious matter of choice and within the level of ordinary skill in the field of operations research. Decisions about the timing of an analysis are commonplace in operations research and are dependent upon the needs of the operation.

7. Claim 6 is rejected under 35 U.S.C. 103(a) as being unpatentable over Powers (US-6901426) in view of Thierauf (book, Decision making through operations research).

Powers discloses a range of stability (from 0 to the target score level) but not a particular and limited band of range. However, the use of bands to correlate and normalize information is a well known expedient in the field of data analysis in order to more easily perform a side-by-side comparison of data among evaluated entities. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Powers to include a range of values in order to perform side-by-side analysis of entities.

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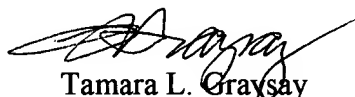
*Conclusion*

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Tamara L. Graysay whose telephone number is (571) 272-6728. The examiner can normally be reached on Mon - Fri from 8:30am to 5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq Hafiz, can be reached on (571) 272-6729. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Tamara L. Graysay  
Examiner  
Art Unit 3623

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